

## DUAL TRAIN DEVELOPMENT

Dual train operation calls for trips and ticket sales to be scheduled out of Heber City and Bridal Veil Falls. Most of the problems encountered in this method of operation are directly related to the improvement of canyon terminal facilities. The following is a list of considerations to improve service and facilities with respect to the canyon terminal and for negotiations of a working agreement with Bridal Veil Falls.

### Responsibility

### Item

- |         |  |
|---------|--|
| BV      | * a. Parking at Bridal Veil Falls  |
| BV      | b. Expanded Food service at Falls  |
| BV      | c. Better restrooms at Falls   |
| BV      | d. Availability of facilities for large charters and parties   |
| BV      | e. Ticket sales area at Falls  |
| BV & HC | f. Joint advertising program   |
| HC      | g. Additional toilet facilities on the canyon train  |
| HC      | h. Heber Creeper could provide area for sales of tickets to Falls  |
| HC      | i. Improved area or method of loading or unloading at both Falls and Dam terminals.                                  |
| HC      | j. Water and fuel storage facilities needed with renovated tank cars at either Falls or Dam                          |
| HC      | k. Restoration of new motive power namely the #4 (Shay) or #2 (2-6-2) to handle canyon run                           |
| HC      | l. With success of the program, additional rolling stock such as open air cars                                       |
| HC      | m. Additional maintenance equipment would also possibly have to be obtained to meet new demands on track and roadbed |

*new  
60 parking stalls*

*500  
Round  
250  
325  
175*

With this expanded type of service, Bridal Veil Falls will have the advantage of complete food concession market on the lower end since there will be no food sold on the canyon train. In terms of total program development, the dual train service offers many types of charters for both large and small groups. Bridal Veil Falls would have the opportunity to participate directly with these charters originating on their end. With adoption of the dual train service, it allows slightly longer layover periods at the canyon terminal. And too, with several runs per day, train passengers will have a better opportunity to take the aerial tram or eat while they browse about Bridal Veil Falls waiting for the next train.



Expense Budget

In an effort to determine just how much the Dual Train Concept should cost us for the proposed operating season, compared to the Conventional operating season, we classified the following expenses as "Variable" or costs that we could directly relate to the number of times we hauled passengers for hire. We assumed that these costs consisted of the following:

	1972 Actual Expenditure Per Variable Classification
Repairs and Maintenance, Rolling Stock	2,387.34
Wages, Office	2,218.69
Wages, Stewards and Stewardesses	7,624.92
Wages, Engineers, Fireman and Conductors	6,801.78
Wages, Maintenance of Engines	5,213.93
Wages, Maintenance of Cars	236.25
Wages, Yard Gang	1,504.50
Engine Service (Materials purchased for running and repair)	5,993.33
Bank and Credit Card Charges	129.23
Cleaning Supplies	875.10
Tickets	463.87
Fuel (for engines, incl. oil and grease)	10,387.13
Payroll Taxes ( $\frac{1}{2}$ of actual amount)	2,441.33
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TOTAL	\$46,277.40

Therefore, to calculate our "Variable Costs Per Operating Hour" (VOCH) we will take the total number of runs, scheduled and charter, 169, assume an average of four hours per run: Total Variable Costs, \$46,277.40 divided by 169 equals \$273.83 which gives the "Variable Cost Per Run" divide this figure by 4 equals our <sup>VC</sup>VOCH of \$68.46.

Proposed Operating Budget for 1973 - Fixed Costs

	1972 Actual	1973 Projected
Advertising* (See Note 1)	17,095.48	20,000.00
Dues and Subscriptions	69.00	70.00
Commissions* ( See Note 2)	263.43	---
Legal	822.01	400.00
Insurance	9,627.01	9,500.00
Interest* (See Note 3)	4,000.15	12,000.00
Tools	1,921.69	750.00
Repairs & Main. - Track and Signals	2,991.73	3,000.00
Repairs & Main. - Bldgs. and Struct.	1,020.05	500.00
Accounting	1,200.00	1,200.00
Employee Uniforms	212.81	200.00
Restoration of Engines	166.66	----
Office supplies and postage	1,324.07	750.00
Telephone	1,970.97	1,500.00
Truck Expense	1,501.65	750.00
Travel	1,266.03	500.00
Promotion*(See Note 1)	3,013.06	750.00
Utilities	754.29	1,000.00
General	301.99	300.00
Payroll taxes * ( $\frac{1}{2}$ in variable costs)	2,441.33	2,800.00
Tractor Expense	63.32	200.00
Property Tax	1,852.70	2,000.00
Taxes & Licenses	42.00	50.00
Depreciation* (See Note 4)	8,912.27	12,000.00
Amort.- Organ. - Pre. Oper. Costs * (See Note 5)	4,688.32	4,500.00
Bad Debts	28.00	---
Lease Expense * (See Note 6)	11,474.10	7,500.00
Wages - General & Admin. * (Note 7)	15,620.72	21,400.00
Cash Over/Short	(177.43)	----
<b>Total Fixed</b>	<b>94,467.48</b>	<b>103,620.00</b>

Notes Supplement to Proposed Operating Budget for 1973

Note One: Advertising- While there is an \$3,000.00 increase, please note that Promotion Expense was cut from \$3013.06 to \$750.00. The primary Promotion Expense of last year was for the Heber Creeper Open which management feels was far too expensive for the effect on our income.

Note Two: Commissions- We did pay some money to Mr. Howard Cook, and some to local motels, and to Z.C.M.I. Mr. Cook still feels we owe him some additional money which we do not, however, we have tried to keep good relations. It was a waste and all moneys should be spent with a legitimate ad agency or with full time employees on a bonus type basis.

Note Three: Interest- Use of all the money for a full year verses portions of money used for fractional parts of the year in 1972.

Note Four: Depreciation- This will show a considerable increase due to the fact that most of the equipment acquisitions last year were for only 3/4's of the year or less.

Note Five: Amortization or Organization Costs- A non-cash legitimate expense.

Note Six: Actually our Cash outlay for Lease Expense is the minimum due, \$7,500.00 however the work done on the State Right-of-Way Leases that is applicable for credit is a legitimate expense. We have an additional non-cash expenditure of approximately \$4,000.00. Therefore, the total "Non-Cash" Expense Items including the above and Depreciation total approximately \$20,500.00 of the proposed budget.

Note Seven: The reason for the increase is that last year Lowe did not receive a wage until June, and Dennis and Ed were not on the payroll until April and in June they received a raise.



## The Chuckwagon Train Concept

Heber Creeper is basically in the entertainment business, as well as running trains. Thus, we need to keep looking for ways to develop business around our railroad. We have received a positive reaction from intended food caterers, namely Lagoon's Utah-Food Service and the Homestead. Both food entities feel this Chuckwagon Moonlight Excursion is strong and would give both the railroad and food caterer the opportunity to experience an evening dining program with a small degree of capital investment.

The Chuckwagon Train could be billed as "The Cascade Moonlight Steam Train Barbeque Run", or something of that nature. The train would leave Heber City traveling across the majestic floor of Heber Valley to the Chalet area, in Wasatch Mt. State Park. Reaching the Chalet, the passengers would get off the train and walk down to an eating area, set up ahead of time by the caterer. The Chalet area was named now for the sake of illustration. It would be possible to hold the barbeque just about any place along the tracks in Provo Canyon or around Deer Creek Lake.

At the barbeque, passengers could gather around campfires for an old fashioned sing along of western and railroad songs, lead by the train's steward and stewardess as part of an evening program. The barbeque could be served at long tables. Food could possibly be delicious sliced barbeque beef, western styled beans, tossed green salad, beverage and dinner roll.

After the meal, passengers would board the train again to continue an unforgettable journey around the remote western shore of Deer Creek Lake to Cascade at Deer Creek Dam. Turning the engine at Cascade, the train would head back to Heber City. By this time it would be getting dark, approximately 9:15 p.m. and spectacular colored flares could be launched from the train over the waters of Deer Creek Lake.

The train might leave around 7:00 p.m. every Saturday night or as has been suggested, possibly each Thursday, Friday and Saturday night from June 30th to September 8th. As has been figured, the railroad would need around 75 to 88 people to break even on the run. Fares would be about \$6.00 for adults and \$4.00 for children (child has the option of a standard barbeque plate or sliced barbeque beef sandwich.)



### Improvements of Combine Service

On the Combine Ice Cream Parlor Car, Stan Briggs, of Lagoon, has indicated that his organization would possibly like to set up tables in the chair section of this unit, offering passengers lunch and fountain items.

Scheduling a noon run with the dual train concept will create a demand for an expanded food service. Also, with the dual train concept, seating capacity of the Combine Car will not be needed. Serving an expanded lunch and fountain menu in the Combine seating area will improve the cash flow potential of the day train. Such lunch items could be pre-prepared sandwiches, stored in a small ice-box in the fountain-baggage area, which Utah Food Service would provide.